

Public Power Firm Proposed in Fairfax

By THOMAS LOVE
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The Fairfax County Board of Supervisors yesterday ordered an investigation into the feasibility of creating a local, publicly owned electric power company.

The board unanimously adopted a resolution by Supervisor James M. Scott, D-Providence, which directs the Public Utilities Commission and county executive to look into the possibility of studying a public company.

A similar suggestion has been made in Falls Church, but no official government action has been taken.

Both Fairfax County and Falls Church are served by the Virginia Electric Power Co., which has petitioned for a statewide \$79.2 million a year rate increase, Scott said.

Six municipal power companies in Virginia — each grossing more than \$1 million a year — have lower rates than Vepco, yet turn over to local governments from 9 to 30 percent of their income in tax equivalent payments, Scott said.

"I THINK we should thoroughly explore the possibilities for providing essential utilities service at reasonable rates which also provide revenue for other needs of local government," he said.

The resolution adopted by the supervisors stops short of actually initiating a full-scale study, but directs the executive and the utilities panel to "investigate methods of evaluating the advantages and disadvantages of county ownership and operation of an electric utilities system, including the obtaining of estimates of costs and timing of a feasibility study by consultants or consultant firms with experience in the field."

During the meeting, Scott criticized Vepco,

charging that the company paid 19 percent less tax in 1971 than 1970, while corporate net income after taxes had increased by 20 percent in the same period.

"Forty-eight percent of Vepco's common stock is held in New York and Massachusetts," Scott said. "The interest of the controlling stock-holders are not identical to those of Northern Virginians who provide so much of the company's revenue. We may be better off locally by providing our own power as other Virginia communities do."

Scott said that the office of the general counsel of the State Corporation Commission had ruled that Fairfax County had authority to own and operate a local electric company.

More than 2,000 local jurisdictions in the nation now own and operate their own nonprofit, locally controlled power systems, he said.

VÉPCO HAS BEEN under fire throughout Virginia for requests to raise its rates. Lt. Gov. Henry Howell, who was elected on a consumer protection platform, has intervened before the State Corporation Commission and has won a court-ordered delay in the rate-increase request.

According to the Federal Power Commission, in 1969 — the latest year for which figures are available — residential customers of publicly owned utility companies paid about eight percent less for power than those receiving service from private corporations.

If the county creates a publicly owned company, it could either buy the power at wholesale rates from Vepco or build its own generating facilities. Scott's proposal did not contain any specific suggestion concerning the acquisition of power.